FOREIGN AGRICULTURE

JULY

1956

Water Is Key to Sudan's Cotton Expansion
Tariff Concessions for Agriculture
Barriers in World Meat Trade
U.S. Agricultural Exports in 1955

UNITED STATES DEPARTMENT OF AGRICULTURE • FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

VOL. XX . . NO. 7 . . JULY 1956

To report and interpret world agricultural developments.

U.S. Food, a Hit at Barcelona and Rome Fairs

Everybody likes to go to the Fair—in America, Europe, apparently everywhere. The recent international trade fairs held in Barcelona and Rome showed that. At Barcelona, a million persons gazed in wonderment at American equipment turning out ice cream, recombined milk, and doughnuts. For many, it was the first time that they had eaten these products.

A vital point was demonstrated at Barcelona. American foodstuffs can be shipped anywhere in the world and converted into products palatable to any taste.

At Rome, more than 35,000 persons daily streamed through the full-size, fully stocked "American-Way" Super Market Exhibit. People wanted to buy everything. The tremendous display of packaged American foods dazzled them. Many Romans saw for the first time chicken and turkey pies and complete frozen, ready-to-eat dinners.

The food items were marked in dollars and cents, which, of course, meant little to most Romans. But one Italian newsman estimated that the same foods in Italy would cost double.

The United States is making earnest efforts to seek new markets abroad for some of the bounty produced on American farms. Samples of these good foods displayed so all can see, and taste, and backed up with offers to sell at fair and advantageous prices, can open up new avenues of foreign commerce in U.S. farm products.

In This Issue

	Page
Sudan's Cotton Expansion Depends on Irrigation	3
Agricultural Tariff Concessions at the Fourth Round of GATT Negotiations	5
U.S. Livestock Industry Faces Foreign Trade Barriers	7
Argentina's Trade Prospects for 1956	9
World Agricultural Summaries	9
What About Competition from the Middle East? Part III	10
Surplus Problems Highlight International Cotton Conference	12
Foreign Agriculture Personnel Cited for Meritorious Service	13
People in the News	14
U.S. Agricultural Exports in 1955	15
Trading Post	16
Cover Photograph	14

Foreign Agriculture is published monthly by the Foreign Agricultural Service, United States Department of Agriculture, Washington 25, D. C. The printing of this publication has been approved by the Bureau of the Budget (October 28, 1953). Yearly subscription rate is $1.50, domestic, $2.00, foreign; single copies are 15 cents. Orders should be sent to Superintendent of Documents, Government Printing Office, Washington 25, D. C.

Sudan's Cotton Expansion Depends on Irrigation

By FRANK W. EHMAN
Assistant U. S. Agricultural Attache', Cairo

As a newly independent nation, Sudan takes on added interest for the cotton-growing countries of the world, including the United States. Since it joined the family of free nations on New Year's Day, this vast tropical country has gone ahead with plans for developing its farm potential, particularly its cotton output.

Lying just south of Egypt, Sudan covers an area of nearly a million square miles, roughly the size of Western Europe. Physically it ranges from the deserts and steppes of the north to the tropical forests and swamps of the south. Stretching through the center is a wide belt, bisected by the White and Blue Niles and characterized by a rich, productive soil. By expanding production in this central belt—the bulk of it in cotton—the new government hopes to build a prosperous agricultural economy. But the question is—will there be enough water?

Cotton, which accounts for about 80 percent of the country's annual income, is grown both under irrigation and with rainfall. In 1954-55, almost two-thirds of the crop was grown under irrigation. Irrigated cotton is the extra long staple, or Egyptian type, and is produced mainly in the central belt where the land is rich and level but where the rainfall is limited. Rain-grown cotton is largely the American type and is grown by tribal groups on the poorer soil in the southwestern hills and plains. Since the central area lends itself to cotton growing more readily than do the isolated upland areas, expansion of cotton as well as of other crops will depend largely on the increase of irrigated land.

Sudan already has over 2 million acres under irrigation, about half of which is in the Gezira, lying rich, black, and level between the White and Blue Niles south of Khartoum, and the remainder divided among the numerous pump schemes and flood deltas along the rivers. But the country hopes to irrigate 3.6 million acres more—to more than double its present irrigated acreage to a total of 5.7 million acres. Soil reserves are tremendous, and they are adjacent to a natural waterway—the Blue Nile. So water, not land, is the limiting factor.

Division of Nile Water

Records show that the Nile at Aswan flows an average of 84 billion cubic meters of water annually. According to the Nile Waters Agreement of 1929, between Egypt and Britain, Egypt's share is 48 billion cubic meters and Sudan's, 4 billion. This leaves 32 billion cubic meters subject to further agreement. But if the new High Dam at Aswan is built, its tremendous reservoir will cause an estimated evaporation loss of 10 billion cubic meters, leaving only 22 billion additional cubic meters to be divided.

How to achieve a fair division of the total amount of available water is a problem confronting Egypt and Sudan—and one that both countries would like to settle amicably and speedily. They agree that the flood waters of the Nile in the "fat" years must be stored for the "lean" years. But at this point differences arise—differences both technical and political.

On the technical side the main difference of opinion centers on whether the necessary storage can best be achieved by the High Dam at Aswan or by a series of smaller dams at this and other sites. Egypt favors the High Dam, Sudan the latter plan.

Sudan's engineers feel strongly that the Nile Valley must be dealt with as a whole and the various works designed as part of a general plan, embracing both irrigation and hydro-electric power. They

Central Office of Information photo.

Sudanese cotton grower of the Gezira irrigates field. Cotton output hinges on water.

object to the entire control of the Nile's waters being located within Egypt's borders, and point out that the reservoir of the High Dam would be situated in an area where evaporation is higher than almost anywhere else in the world. Another objection is the dislocation of some 50,000 Sudanese living in the Wadi Halfa area, whose homes and livelihood would be wiped out by the dam's 400-mile-long reservoir; the cost of resettling them must be borne by Egypt, Sudan officials insist.

But the crux of the whole matter is the division of the water. Numerous schemes have been proposed. Currently, a ratio linked to the respective populations of the two countries has gained attention, though this too leaves room for argument. If, on the completion of Sudan's census now in progress, Sudan's population proves to be about half that of Egypt, then Sudan would get a third of the water. The ratio, in terms of the 84 billion cubic meters available annually, would be 56:28. Should this, or some other, arrangement be agreed upon, Sudan would then proceed to carry out its development plans.

Irrigation Schemes

Sudan is already engaged in the first phase of the Managil extension of the Gezira, which will add 208,000 acres to this successful cotton-growing area. By widening the main canal and digging ditches, Sudan can bring in additional gravity flow water from the already existing dam at Sennar on the Blue Nile.

Completion of the Managil extension, which will raise the total of newly irrigated land in the Gezira to 830,000 acres, depends on the construction of the dam at Roseires, on the Blue Nile about 120 miles upstream from Sennar. The owners of this land are herdsmen who grow dura, a sorghum that is Egypt's second largest crop. They will be given first choice to become tenants on the newly irrigated land, which will be operated in the same manner as the rest of the Gezira, whereby the government rents the land and takes 40 percent of the profits; the tenants get 40 percent and the management board 20 percent.

The Kenana project, involving over 1,200,000 acres, will also use water from the Roseires dam. This land lies in the delta between the Blue and White Niles just south of the Gezira, and is alluvial soil approximately the same as that of the Gezira. The last project scheduled, it will take some 15 years to complete.

Altogether the new dam at Roseires is expected to bring 1,870,000 acres under irrigation. It will cost some $21 million, and its construction will depend on the financing that the Sudanese hope to obtain from the World Bank and possibly from other sources.

Another area of development is the Atbara project, comprising some 520,000 acres on the Atbara River. It has been planned as a relocation site for the 50,000 inhabitants of the Wadi Halfa, who would be flooded out by the new Aswan Dam, and would be watered by gravity flow from a dam to be built at Khashin El Gerba. Finances for this dam are still in question; they will probably be included in the cost of relocation that the Egyptians will be asked to pay.

Other schemes are also under study. There is the so-called Jonglei irrigation scheme, which would create 520,000 irrigated acres; and numerous White Nile projects, still in the visionary stage. Meanwhile, various pump schemes are spreading up and down the three Niles. While the expansion of these schemes by government and private capital has been rapid during the past few years, it is expected to slow down to perhaps another 520,000 acres during the next 15 years.

Cotton Production

In 1954-55, Sudan produced 403,000 bales of cotton (480 pounds net) from 685,000 acres. Of this, 65,000 bales were rain grown, and the remaining 338,000 bales came from 435,000 acres of irrigated land. Assuming that Sudan does not increase its rain-grown acreage over the 1954-55 level, but does increase its irrigated areas according to present plans, the picture would look something like this:

Sudan cotton prospects over the next 15 years

Year	Irrigated	Rain grown	Total
	AREA		
	1,000 acres	*1,000 acres*	*1,000 acres*
1954-55	435	250	685
1960-61	550	250	800
1965-66	870	250	1,120
1970-71	1,260	250	1,510
	PRODUCTION		
	[1] *1,000 bales*	[1] *1,000 bales*	[1] *1,000 bales*
1954-55	338	65	403
1960-61	490	65	555
1965-66	776	65	841
1970-71	1,120	65	1,185

[1] Lint cotton; bales of 480 lbs. net.

Briefly, this means that if Sudan is successful in carrying out its irrigation expansion plans, the country will increase cotton production approximately 40 percent by 1960-61, 200 percent by 1965-66, and 300 percent by 1970-71.

These figures are based on two assumptions: One, already men-

(Continued on page 14)

Agricultural Tariff Concessions at the Fourth Round of GATT Negotiations

By Gustave Burmeister
Assistant Administrator,
Agricultural Trade Policy and Analysis,
Foreign Agricultural Service

ANOTHER STEP in the process of reducing the barriers to international trade was taken at Geneva on May 23 when 22 countries, parties to the General Agreement on Tariffs and Trade (GATT), signed a protocol embodying the tariff concessions agreed upon during the fourth round of tariff negotiations.

As a result of U.S. participation in these negotiations, American farm and forest exports valued at almost $100 million were given improved tariff treatment abroad, or were guaranteed continuation of existing favorable treatment. At the same time, tariff reductions were accorded by the United States on imports of agricultural and forestry products from foreign countries valued at almost $150 million.

The agricultural concessions obtained by the United States in negotiating with the other countries directly, covered a wide variety of items, including grains, fruits, vegetables, livestock products, tobacco, vegetable oils, seeds, and forest products. Additional benefits, which have not yet been evaluated in terms of trade coverage, will accrue to the United States from the concessions exchanged between other countries on products which the United States also exports to them.

On the import side, the United States likewise gave concessions on a wide variety of items, including tobacco, inedible molasses, fruits, vegetables, seeds, dairy and other livestock products, and forest products. The concession rates of duty will apply to imports from all nations except the Communist-dominated countries.

Previous Modifications

These exchanges of tariff modifications are the latest in a series which, for the United States, began in 1934, when Congress passed the Reciprocal Trade Agreements Act authorizing the President to pursue a policy of trade expansion through agreements with other countries to reduce duties on selected commodities on a reciprocal basis. In the course of the following 10 years, agreements were concluded with 28 countries, including all the major trading partners of the United States. These agreements substantially exhausted the authority granted by Congress for a maximum reduction in duties of 50 percent of the rates in the Tariff Act of 1930.

In 1945 the Congress allowed a new maximum reduction of 50 percent of the rates in effect on January 1, 1945. With this authority the United States, as a member of GATT, was able to negotiate 38 reciprocal tariff agreements with other GATT countries. Thirty-three are still in effect, as are nine of those originally negotiated before the war.

A recent study[1] indicates that over 70 percent of our farm exports went to these countries, and two-thirds of these exports, valued at $1.7 billion in 1952, moved at concession rates of duty. On the U.S. side, concessions were made in rates of duty applying to U.S. imports of competitive agricultural products, valued at $1.5 billion in 1952 and representing 90 percent of all such imports.

The negotiation of these agreements again virtually used up the authority granted by Congress for the reduction of duties. Many had been reduced by the full amount of the allowable 75 percent of the 1930 rates, and others had been lowered as far as legitimate domestic interests or the national defense permitted, or the degree of importance to foreign countries warranted.

Thus, by 1955, little bargaining power remained to the United States for further tariff negotiations under the old authority. The Congress in passing the Trade Agreements Extension Act of 1955, authorized a further reduction in duties of 15 percent of the rates in effect on January 1, 1955. In the case of duties higher than 50 percent of the value of the imported goods, a reduction was authorized to 50 percent of the value. All these reductions were to be effected in stages over a 3-year period.

Problem Before GATT

Complaints were heard from other countries that this new grant of authority would not permit the United States to make any reductions of real interest or value in its duties, and that consequently little could be expected from them in return. Nevertheless many GATT members responded to the invitation of the GATT Secretariat to participate in a fourth round of tariff negotiations. But it was clear

[1] Agriculture in U.S. Tariff Bargaining, Robert B. Schwenger, Foreign Agricultural Service, U.S.D.A.—FAS-M-2, pp. 2 and 3.

throughout the meetings that the concessions that would be forthcoming from the other countries, in return for the 15-percent cuts which were the maximum the United States could offer, would in some manner reflect their disappointment in this limitation.

Thus, reductions in duties in general were modest, and a considerable number of concessions took the form of so-called bindings or guarantees against increases in rates which were already at favorable levels. This was particularly true in the case of agricultural products. But even concessions that are merely guarantees against increases in duties may have a particular value at the present time as well as in the future. As improvements in balance-of-payments situations occur, the GATT rules obligate countries to abandon their quantitative restrictions on imports. The countries are then under pressure from domestic interests to increase tariff duties as a substitute for the effective protection which they have enjoyed as a result of those restrictions. Pressures are particularly likely to occur with respect to agricultural products where surplus conditions are replacing the shortages that marked the earlier postwar years. If duties have been bound in the GATT, they cannot be increased except by negotiation with other GATT members who would be adversely affected.

Highlights of Concessions

A detailed analysis of the results of the fourth round of tariff negotiations as they affect United States agriculture is available on request to the Foreign Agricultural Service. But a few highlights man be of interest here.

In terms of the dollar value of the trade involved, the largest concession obtained by the United States was the United Kingdom's guarantee of continued duty-free entry of corn. Exports of corn to the United Kingdom were valued at $52 million in 1954. Canada, Germany, and the Benelux Union reduced their duties on orange juice, of which the value of our exports to those countries in 1954 was over $9 million. The Benelux Union reduced its duty on frozen tongues, representing over $6 million in U.S. exports. Canada lengthened the low-duty season for imports of cauliflower and lowered the duty on lettuce and tomato paste, representing a trade value of $1.5 million.

Reduced duties on tobacco products worth a half million dollars in trade were obtained from Germany, the Benelux Union, Chile, and the Dominican Republic. Austria guaranteed continued duty-free entry of tallow and Chile a reduction in the duty on tallow, while Germany reduced the duty on lard. This trade with the three countries is valued at $1.5 million. Reductions in duties on naval stores and softwood lumber by Italy cover a trade valued at nearly $3 million.

The U.S. concessions on agricultural imports consisted almost entirely of duty reductions of about 15 percent. The only exception was a guarantee to Chile to maintain the present rate of duty on still wines.

The U.S. concession covering the largest amount of trade was on cigarette leaf tobacco, on which a reduction of 15 percent was negotiated with Turkey, the principal supplier to the United States of this product. Greece, the second largest supplier, will also benefit from the reduction. Imports from these two countries together with relatively minor amounts—chiefly of oriental-type tobacco—from other sources, were valued at $54 million in 1954. Second in amount of trade was molasses, of the inedible or blackstrap variety, on which the United States granted duty reductions to Cuba and the Dominican Republic. This concession, on a $33-million trade, was given in part to compensate for an increase in U.S. duties on liquid sugar to bring these duties up to the level of those on dry crystalline sugar.

A reduction in the preferential rate of duty on cigars to Cuba was accompanied by a reduction in the most-favored-nation rate, negotiated with the Benelux Union and the Dominican Republic, and covering imports valued at over $2 million in 1954. Italy was given a concession on sheep's milk cheese, imports of which were valued at $7 million in 1954. The Benelux Union obtained a reduction in duty on canned apples, Canada on frozen blueberries, and Chile a seasonal reduction on grapes—the three together totaling $3 million in trade. Concessions given to the United Kingdom on orange marmalade and certain jellies and jams, and to Canada on currant and other berry jams and jellies, represent a trade of over $1.5 million.

Italy was given concessions on canned tomatoes and tomato paste, representing imports valued at $6 million, and on Vermouth, valued at almost $6 million in 1954. Concessions to Canada on turnips, and lettuce and cauliflower in season relate to a $2.5-million trade, while concessions on various grass and clover seeds, made to Canada, Denmark, and Italy, cover imports valued at over $4.5 million.

Reopening of Markets

The real measure of the value of tariff concessions is, of course, the expansion in trade that may be accredited to such concessions. This is a measure which is difficult to apply because of the numerous other economic factors that influence the movement of international trade. But the improving dollar balances of many of the countries with which the United States has just negotiated may soon become apparent in increased purchases of U.S. agricultural products, most of which have been severely restricted because of dollar shortages. The fact that this gradual reopening of our foreign markets will not be hampered by high tariff walls may be counted as a major achievement of the GATT and a direct outcome of our reciprocal trade program.

Meat market in Paris. France and many other European meat-importing countries have upped their meat production and cut their imports in recent years. This has helped increase the competition that the U.S. meat industry faces.

U. S. Livestock Industry Faces Foreign Trade Barriers

Although exports of U.S. livestock, meat, and meat products in 1955 were the largest in many years, foreign competition and trade barriers are factors that the U.S. meat and livestock industry must reckon with.

Competition in recent years has become increasingly keen. In the first place, as the European economy improved after World War II, many of the meat-importing countries reduced their imports by increasing domestic production. Secondly, Europe's leading meat-exporting countries have upped their meat production tremendously. And thirdly, while U.S. prices for pork and variety meats are competitive, U.S. beef prices cannot compete with those of Australia, New Zealand, Argentina, Uruguay, and Denmark.

Trade barriers are somewhat more complicated, and the reasons for their prevalence vary widely. In general, these barriers fall into five categories: (1) lack of "hard" currency, especially of dollars, (2) multiple exchange rates, (3) bilateral trade agreements, (4) sanitary regulations, and (5) form in which product may be imported.

Dollar shortage is probably the primary reason why many of the meat-importing countries have limited their buying in the hard currency areas. These countries, many of them badly hit by the war, feel that their dollars must be used to buy necessities for economic development. Then, too, some of these countries which need to conserve dollars for industrial development do not consider meat or meat products essential in the diet of their people. Dollars are also diverted in certain countries by groups with competing products; for example, the vegetable oilseed interests, which have been instrumental in preventing the importation of animal fats through increased tariffs, import fees, and the necessity for import permits.

Multiple exchange rates, which interfere with imports of some commodities and encourage imports of others, are the result of postwar economic difficulties arising in some countries through state-controlled internal prices. In Brazil, for example, the exchange rate of the dollar for the cruzeiro varies for such products as lard, automobiles, and coffee, according to what products Brazil considers to be the greatest importance to its economy. Should meat or lard fall into a luxury or nonessential category, the high exchange rate would limit the import of these commodities.

Bilateral trade agreements exist in countries where commerce is controlled. Their purpose is to assure a noncompetitive market for products that two countries want to sell. And because trade barriers

are not only complex but are interrelated, limitations are often placed on the use of dollars to protect these bilateral agreements.

Despite strict inspection regulations and sanitary meat-handling methods in the United States, this country's meat exports still face import obstacles ostensib'y raised because of fear that vesicular exanthema and hog cholera will be introduced. Canada, Venezuela, Jamaica, the United Kingdom, Barbados, British Guiana, and British Honduras are among the countries which restrict pork product imports because of vesicular exanthema. Some of these markets, as well as Austria, Sweden, Denmark, and Belgium, give hog cholera as the reason for banning certain U.S. pork products.

Some countries also determine the form in which meat and meat products may be imported. Switzerland does not allow imports of fresh liver, kidneys, or brains, separated from the carcass. Livers separated from the carcass may be imported only in canned form, and tripe may be imported only in cooked form. Western Germany requires all frozen pork livers and kidneys to be thawed for inspection, adding to costs and leading to deterioration of products.

These barriers, whether designed to encourage domestic production, protect bilateral agreements, or reduce consumption of imported goods, have affected detrimentally some of the United States' best markets. The United Kingdom used to be one of this country's leading markets for pork products. But now, in addition to the ban against pork and pork products, the British also restrict the use of dollars for other kinds of meat.

Western Germany, an important potential market for American meat, is importing large quantities of lard, pork livers and kidneys, and beef livers, but only limited quantities of fat back. It might purchase more if it reduced its tariffs, primarily on lard, liberalized dollars for imports, and relaxed some of its inspection requirements.

How U. S. Livestock Exports Fared

The U.S. meat and livestock industry had an extremely good export year in 1955. Despite the low price of these products in 1955, the total net value of U.S. exports was $76 million compared with $49 million in 1954.

Meat and casings totaled 220 million pounds, the largest amount exported since 1947. With the drop in beef prices, beef exports, chiefly variety meats, were the largest in 6 years. Pork exports, though limited by sanitary restrictions, were higher than the previous year, though still below 1950-52.

Large shipments of live animals were sent to the South American republics for improvement of their livestock industry, bringing the total up to that of 1946, when large shipments were made to Europe.

Exports of lard were approximately 100 million pounds above those of 1954, or almost three times the prewar level. Tallow and grease exports were the highest on record—1,311 million pounds.

Exports of cattle hides, calf and kip skins continued the upward trend started in 1953, as a result of the increased slaughter of cattle, high quality of the hides, and competitive prices.

What are the chances of these barriers being removed—or, at least, lowered? To that there is no ready answer, as many of the barriers are as politically strategic as they are economic. But certainly, as long as the trend toward increased domestic production continues there is little likelihood that the countries that are trying to develop their own meat industry will let down the bars to admit foreign livestock products.

On the other hand, increased meat consumption nearly always accompanies a rising economy, and in Europe today, as well as in other parts of the world, high economic activity coupled with growth in population has boosted the demand for meat. To satisfy this demand many countries may find it necessary to review and revise their current tariffs and import-restricting measures, opening the way to a freer world trade in meats.

Consumption of Fertilizers Increasing Throughout World

A great increase in the use of fertilizers throughout the world is one of the factors that has contributed to the abundant agricultural production for 1955-56, according to the Foreign Agricultural Service's annual survey of the world agricultural situation.

Just how much fertilizer has been produced and used is the subject of a study recently published by the United Nations Food and Agriculture Organization, "An Annual Review of World Production and Consumption of Fertilizers, 1955." If its 1956 forecasts are achieved, FAO states that consumption of all fertilizers will have increased by 18 percent in the 3 years from mid-1953, and production by 21 percent. In a single year, from 1955 to 1956, consumption is expected to increase 3 percent, and production 4 percent.

In the years immediately after World War II, the production and use of fertilizers expanded rapidly. Since then, countries that use fertilizers heavily have continued to increase production and consumption. Many others that used little fertilizer in the past have begun to expand consumption, and some are now establishing new industries to produce fertilizers.

Argentina's Trade Prospects for 1956

By Constance H. Farnworth
Latin American Analysis Branch
Foreign Agricultural Service

Despite a sharp drop in output of Argentina's big export crop, wheat, Argentine agricultural exports this year are expected to be about equal in value to those of 1955—a fact of interest to world producers and consumers not only of wheat but of corn, oilseeds, beef, and wool, which also bulk large in Argentine trade.

Grains. Argentina's recently harvested wheat crop is officially estimated at 177 million bushels—106 million below the previous crop. But by reducing its carryover, Argentina may be able to export some 110 million bushels this year compared with 132 million last year. Its commitments are heavy. Since the start of the new marketing year on December 1, 1955, INGE (National Institute of Grain Elevators) has sold for export over 25 million bushels. Brazil may buy at least 29 million; the agreement with Italy calls for 18 million; and Argentina expects to sell Chile 5 million to 6 million and has entered the International Wheat Agreement with 15 million bushels.

The corn crop, now being harvested, is officially estimated at 150 million bushels — a 50-million-bushel increase from 1955. Total exports are expected to be close to 80 million.

To stimulate grain exports, the exchange rate applicable, formerly 5 pesos per dollar, has been fixed at 18 pesos less 10 percent retention for the National Recovery Fund. The prices guaranteed to grain producers have also been increased.

Oilseeds. The current flaxseed crop of 9 million bushels is the smallest in 39 years—more than 40 percent below 1954-55. About 1.7 million acres were sown, compared with an average of about 3 million in the preceding 10 years. Total linseed-oil supplies this year, excluding carryover, leave only about 65,000 tons for export.

This decline is attributed primarily to loss of important overseas outlets, lack of price incentives for producers, and the increase of various blights. To revive interest, the government recently increased the floor price for flaxseed by over 85 percent. In addition, exporters of refined linseed oil receive the official exchange rate of 18 pesos per dollar less retention for the Fund. Any amount the shipper receives over the minimum (set at $343.45 a ton) can be exchanged at the free market rate, currently about 40 pesos per dollar.

During 1955 and early 1956, low acreages and yields of sunflower and peanuts caused a serious shortage of edible oils. Argentina had to buy over 100,000 tons of U.S. cottonseed oil. But in 1955 the government sharply raised the price for oilseed crops. As a result this year's sunflowerseed and peanut crops are well above last year's. In fact, Argentina looks forward to exports of close to 100,000 tons of edible oils in late 1956.

Meat. The increase in guaranteed grain and oilseed prices has resulted in the planting of many pastures to these crops. Many more cows and heifers are going to market. This could reduce beef production in the future. But for the present the meat industry is much better off than a year ago. In early 1956 receipts of cattle, sheep, and hogs were the largest in 6 years. Argentina is now exporting considerable beef for the first time since the 1951-52 drought—1,120,000 quarters between January 1 and April 14, 1956, or 50 percent more than in the same period last year and twice as much as in 1954.

Wool. Wool exports from the beginning of the wool year on October 1, 1955, to the middle of April amounted to 167,000 bales (about 70,000 tons) —nearly 50 percent more than in the same period last year, and almost double the corresponding shipment of 1953-54. Part of these exports have come from the relatively heavy stocks on hand in October; but part were stimulated by the shift in the foreign exchange rate applicable to wool—from 6.25 pesos per dollar to 18 pesos.

WORLD Agricultural Summaries

Meat. Meat production in the principal livestock countries of the world, exclusive of the Far East, set a new record in 1955, with about 86.5 billion pounds. This exceeds prewar by 27 percent, and 1954 by 3 percent. Meat production is above the 1946-50 average in Eastern and Western Europe, the USSR, Australia, New Zealand, and North America, and below in South America.

Rice. World rice production in 1955-56 (August-July) is estimated at 422,400 million pounds of rough rice, only slightly above the record harvest of 1953-54. Principal increases were in Communist China, Japan, Thailand, and India. Rice production in the Near East dropped sharply, while the European harvest was slightly lower than was indicated earlier.

Butter. World butter production during 1955 totaled 9,510 million pounds—56 million less than the previous year. Decreases in the United States, Denmark, and the Netherlands were not compensated for by increased output in New Zealand, Australia, Canada, and the Union of South Africa.

Cheese. In the 24 reporting countries cheese production in 1955 was 5,379 millions pounds—12 million pounds over that of 1954. Production declined in Australia, New Zealand, and the United Kingdom, but increased in Argentina, Denmark, the Netherlands, Greece, Italy, and Switzerland.

What About COMPETITION from the *Middle East?*

Five Middle Eastern countries produce tobacco, but only three—Turkey, Syria, and Lebanon—export it. And only Turkey offers substantial competition to the United States on world markets. Three other Middle Eastern countries buy considerable U.S. tobacco: Egypt, for some years a sizable U.S. market, and Israel and Jordan, smaller markets that have developed since the war.

Part III. Tobacco

By W. Garth Thorburn
Africa and Middle East
Analysis Branch
Foreign Agricultural Service

THE TOBACCO-PRODUCING countries of the Middle East grow only enough for their own needs and those of their neighbors. An exception is Turkey, one of the world's largest tobacco exporters. Turkey holds a curious position as both the best supplier and one of the foremost competitors of the U.S. tobacco industry. It sells much of its oriental leaf to U.S. manufacturers. But it sells also to several countries that are important markets for U.S. flue-cured and Burley.

• **Egypt** is a good market for Turkish and U.S. tobaccos, which supply about half its needs. From Turkey it buys oriental; from the United States, flue-cured, Burley, and Kentucky-Tennessee fire-cured. Of late Turkey has shipped less and the United States more. Eventually, however, Egypt may get considerable flue-cured from Communist China in exchange for cotton.

• **Iran** and **Iraq** both produce tobacco for home consumption only, and present no problem to other producing areas. These countries could considerably increase tobacco output under their agricultural development programs. But their tobaccos cannot displace the higher-quality oriental tobaccos of Turkey and Syria.

• **Israel** in the past 3 years has imported small but increasing quantities of U.S. flue-cured—475,000 pounds in 1955. Sales for Israeli currency under Public Law 480 have helped the United States maintain its market in this dollar-short country. Meanwhile, 37-percent increase in the price of Turkish leaf has sharply reduced Israel's tobacco imports from Turkey.

• **Jordan,** which during 1947-51 imported about 160,000 pounds of U.S. flue-cured and trimmings each year, in 1955 imported more than 5 times that amount.

• **Lebanon** produces oriental tobaccos, exports them mainly to other Middle Eastern countries, and imports small quantities of flue-cured and Burley from the United States. The Soviet Union has recently indicated a desire to purchase Lebanese tobacco in exchange for manufactured products. And in December 1955 Lebanon signed a trade agreement with Communist China, which included Lebanese leaf among the items to be exchanged for Chinese industrial goods. Since China produces flue-cured, this trade relationship could mean a smaller market for U.S. leaf in Lebanon.

• **Syria** produces mostly oriental or semi-oriental tobaccos. Abu Riha, or Latakia (fire-cured oriental), is primarily exported to the West; Shak al Bent, Samsun, and Baffra are much used locally. Hasan Kayf, a chewing and oriental pipe tobacco, goes mostly to Egypt; tombac, a dark air-cured for water pipes, to Egypt and Lebanon.

THE MIDDLE EAST: Tobacco Production

[millions of pounds, farm sales weight]

	Average 1935-39	Average 1947-51	1953	1954[1]	1955[1]
Turkey	128.5	194.1	249.1	214.9	258.9
Iran	34.5	29.4	40.8	27.1	28.1
Syria	8.2	[2]11.6	8.1	13.3	12.5
Iraq	[2]8.1	12.9	17.1	19.2	10.9
Lebanon	2.4	[2]3.5	3.9	4.8	5.3

[1] Preliminary. [2] Less than 5 years.

The United States, long Syria's best market for Abu Riha, has reduced its imports of this tobacco, and in the last few years Syria has suffered from an oversupply. In 1954, large stocks and low prices led the Syrian Tobacco Monopoly to limit Abu Riha acreage. But selective planting, plus good weather, pushed yields so high that the crop almost doubled that of 1953. In 1955 the Abu Riha area was further cut, and recently the Monopoly announced that no more will be produced. Other oriental and semi-oriental types—especially Shak al Bent—will replace it, primarily to meet the increasing domestic demand for cigarettes. Larger amounts could be grown for export.

Under a trade and payments agreement Syria signed with East Germany last fall, leaf tobacco is to be exchanged for East German industrial goods.

• **Turkey** leads the world in production of oriental tobacco. Its total tobacco output, including small amounts of dark air-cured, flue-cured, and Hasan Kayf, reached

249 million pounds in 1953 and exceeded that by 10 million pounds in 1955.

But Turkey's exports in 1955 were down from the previous year's by the same amount that production was up. To its largest customer, the United States, Turkey shipped only 38 million pounds, as against 72 million in 1953—29 percent of its total exports instead of 46 percent. U.S. manufacturers have built up large stocks of oriental and are reluctant to make heavy purchases of Turkish at the increased prices. Instead, they are buying more oriental from other countries, particularly Greece and Yugoslavia.

Turkey, too, has large stocks of oriental, because of heavier than normal buying by the Turkish Tobacco Monopoly from the 1955 crop. To support the orderly marketing of these stocks, perhaps to limit the expected increase in export prices, and, reportedly, to compensate for increased prices of the things tobacco growers must buy, the Turkish Government decided to pay growers a premium of about 4 U.S. cents a pound for the entire 1955 crop.

James W. Birkhead

Tobacco farmer near Latakia, Syria. Most Syrian tobacco is oriental and semi-oriental.

THE MIDDLE EAST: Tobacco Exports

[millions of pounds]

<table>
<tr><th></th><th>Average 1935-39</th><th>Average 1945-49</th><th>1953</th><th>1954[1]</th><th>1955[1]</th></tr>
<tr><td>Turkey ...</td><td>75.5</td><td>105.4</td><td>158.1</td><td>142.0</td><td>132.3</td></tr>
<tr><td>Syria ...</td><td rowspan="2">2.8</td><td rowspan="2">5.0</td><td rowspan="2">3.4</td><td>2.3</td><td>1.6</td></tr>
<tr><td>Lebanon ..</td><td>1.0</td><td>.5</td></tr>
<tr><td>Total ...</td><td>78.3</td><td>110.4</td><td>161.5</td><td>145.3</td><td>134.4</td></tr>
</table>

[1] Preliminary.

Early this year sales of the unmanipulated 1955 crop to U.S. companies were marking time. This situation, the companies state, is due to increasing prices and the possibility of devaluation. In 1955, U.S. companies were paying from 2 to 4 cents more for the manipulated 1954 crop than they did for the 1953 crop.

Partly offsetting Turkey's reduced tobacco sales to the United States is an increase in its trade with Eastern European countries. Tobacco shipped to these countries, as also to some Western European ones, moves under bilateral trade agreements by which Turkey imports other products (mainly industrial goods) in return. Thus in 1955 Eastern Germany bought 11.3 million pounds of Turkish tobacco compared with only 2.2 million in 1953; Poland, 13.7 million compared to 4.8 million in 1954; and Hungary, Czechoslovakia, the Soviet Union, and Yugoslavia, several million each.

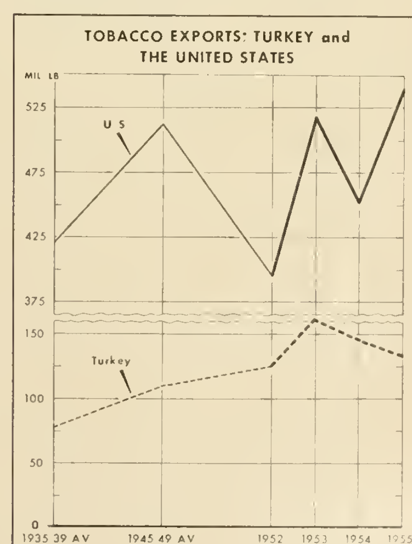
TOBACCO EXPORTS To Major Markets of Western Europe

(in millions of pounds)

	From Turkey 1953	From Turkey 1954	From Turkey 1955	From the U.S. 1953	From the U.S. 1954	From the U.S. 1955
United Kingdom ..	10.2	10.8	7.6	179.7	150.0	182.7
Western Germany ..	22.3	14.1	17.3	70.5	43.3	58.8
Italy	6.8	1.6	6.7	5.6	3.9	4.4
France	4.4	5.0	4.7	4.7	12.6	7.9
Austria	3.6	2.1	3.0	3.3	1.9	5.4

It is in Western European markets, however, that Turkey's oriental tobacco and other cigarette tobaccos are really competing. Greece, Yugoslavia, and Turkey have all sharply increased their production and exports of oriental in recent years. Any considerable sales of oriental tobacco in European markets can mean displacement of U.S. tobaccos there. And Turkey is in a favorable position for these increased sales; they are a way to finance the industrial imports it needs from these countries.

The Turkish Government is planning to expand tobacco production. The goal for 1960 is a crop 500,000 pounds above 1954-55's—a moderate increase, in view of the present large production. The effect of increased supplies on Turkey's exports would be difficult to predict. In any case, however, Turkey and the United States are likely to find continued competition both from each other and from areas outside the Middle East.



Surplus Problems Highlight International Cotton Conference

Recommendations and observations made at the Fifteenth Plenary Meeting of the International Cotton Advisory Committee, held in Washington on May 8-17, are summarized below:

Recommended that member governments seek to achieve the following objectives: (a) reasonable price stability over the short term so as to encourage the orderly movement, distribution, and maintenance of world stocks, and (b) price flexibility in the long term so as to permit changes in accordance with supply and demand and to meet the competition from other fibers.

Further increases in cotton acreage and production should be discouraged until the present excess of production over consumption is eliminated.

A reasonable reduction in cotton price levels such as has already taken place is desirable, but drastic reductions would have a disruptive effect on the economies of both producing and consuming countries.

The period of time taken to bring about a reduction in surplus stocks to a manageable size should be long enough to prevent undue depression of world prices.

The United States Government should consider the desirability of announcing a minimum price below which its cotton would not be offered for export sale. Whether or not such an announcement is made, notice should be taken of the stated policy of the United States that it would not disrupt world markets. Accordingly, it would be helpful if other producing countries were guided by the United States export price in determining their own pricing policies. This would contribute toward stability in world cotton prices.

Dual price arrangements under which cotton is made available more cheaply for export than for domestic consumption are considered undesirable. Dual pricing tends to perpetuate the problem of surplus by protecting cotton farmers and producers of man-made fibers alike in the largest fiber consuming country. Dual pricing also hinders price insurance operations on futures markets and this militates against a build-up of depleted stocks in cotton importing countries.

Increased cotton consumption offers a positive contribution toward reducing the present imbalance between production and consumption. Efforts to expand consumption, including greater efficiency in manufacturing and marketing cotton textiles, increased research, and expanded promotional activities on behalf of cotton, should be encouraged in all countries.

German Trade Association Promotes Pure U.S. Lard

The Trade Mark Association of German Lard Importers, in Hamburg, was recently organized to protect consumers from the improper marking of imported lard. The group, which claims to handle over half of the lard imported from the United States, is endeavoring to promote the sale of pure U.S. lard.

Members of the association are entitled to use the association mark "Pure U.S. Lard" on the package or the wrapping. Lard so marked must be shipped directly from the United States out of current production with official certificate of origin, and may not be blended with lard from West German reserve stocks.

Imports of lard into West Germany in 1955 totaled 91 million pounds, 68 percent of which was from the United States. In 1954, Germany imported 63 million pounds of lard, including 41 million pounds from the United States.

Nutrition Program To Aid Wheat Sales in Japan

The Oregon Wheat Growers Association, in cooperation with the U.S. Department of Agriculture and two Japanese trade organizations, is starting an educational and promotional campaign in Japan to increase the sale of U.S. wheat and wheat products.

A feature of the program will be the use of mobile kitchens for food demonstrations throughout the country. These kitchens, mounted on buses with loud speakers and removable panels, will enable nutritionists to show Japanese housewives how to prepare balanced, low-cost meals using wheat products, and to explain to them the importance of wheat foods in diet and health.

The project will also include the training of food specialists and the establishment of a training center for bakers, utilizing the facilities of the Japanese baking industry. The specialists and bakers will transmit their acquired knowledge to fellow workers and housewives throughout Japan.

Japan has been increasing its consumption of wheat in recent years, as a supplement to its rice diet. USDA's participation in the program is made possible through the use of Japanese currency accruing under Title I of Public Law 480, under which U.S. surplus commodities are sold abroad for local currencies.

Norway Exporting More Dairy Products

Although the number of milk cows in Norway continued to decline in 1955, increased average production per cow has enabled the country to expand its dairy exports.

In 1939, Norway's cows numbered 802,000 but by last year the number had decreased 18 percent. During the same period milk production per cow increased from 4,134 pounds to 5,655 pounds. This increased yield as well as a decrease in Norway's domestic consumption of butter has resulted in exports of dairy products rising from 47.1 million pounds—in milk equivalent—prewar to 127.2 million pounds in 1955.

It has been estimated that Norwegians are eating 6 pounds less butter per person than they were before the war, and only 2 pounds more cheese. Consequently, even though butter production has dropped, butter exports have increased nearly 300 percent, and cheese exports 24 percent. Canned milk exports are negligible.

Norway's dairy industry is designed primarily to meet domestic requirements and exports are used

to prevent any imbalance arising in the domestic situation. However, the increased output with 5,784 pounds per cow expected this year, seems to indicate that Norway will continue to compete in the international market.

Beef and Beef Cattle Imported by Canada

Canada's high economic level, plus an expanding population, has created an unusually strong demand for meat, which has resulted in the country's becoming a net importer of both beef and beef cattle.

1955 per capita consumption of beef was 72 pounds compared with the 1950-52 average of 48 pounds. Even though Canadian cattle numbers are the highest in more than 10 years, this has led Canada to reduce its exports to the United States.

Exports of beef cattle dropped from 400,000 head in 1948-50 to 25,000 head last year. Canada, historically a net exporter of beef, last year imported approximately 15 million pounds.

World Import Duties On U.S. Dairy Products

Foreign Agricultural Service has just published a booklet entitled "World Import Duties on United States Dairy Products," giving import charges, country by country, for the following U.S. dairy products: butter, Cheddar cheese, evaporated milk, condensed milk, dried whole milk, nonfat dry milk solids, malted milk, ice cream mix, and infant foods.

Prepared by W. Bruce Silcox, agricultural economist, Dairy and Poultry Division, FAS, the booklet describes the export situation with regard to each of these products and concludes with a 6-page table in which the duties for all countries are converted into U.S. currency.

Listed as Foreign Agriculture Report No. 87, the booklet may be purchased for 15 cents from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C.

Foreign Agriculture Personnel Cited for Meritorious Service

This year Foreign Agricultural Service is honoring with citations its personnel whose service has been outstanding. Among the four to be cited is Dr. Hameed M. Farooqi, a native of Pakistan, who is attached to the U.S. agricultural attaché's office in Karachi. As given below, the citation follows the name and position of the recipient.

Hameed M. Farooqi, research assistant, Karachi: *For meritorious execution of his duties during extended absence of agricultural attaché from embassy; and for the willingness to advance, on his own time and resources, the science of agricultural economics among his countrymen.*

For 6 months during the absence of the U.S. agricultural attaché Dr. Farooqi assumed the responsibility of collecting and analyzing for transmittal to Washington data on Pakistan's agriculture. In his own time, he has conducted a course in agricultural economics at the University of Karachi, in an effort to build a nucleus of Pakistanis with better understanding of agriculture and its problems.

Gertrude R. Drinker, Foreign Training Division: *For originality and effectiveness in developing and carrying out training programs in this country for foreign technicians and administrators in the field of home economics.*

During 1955, Miss Drinker developed and coordinated training programs for 101 foreign agricultural and home economics leaders, and had joint responsibility for another 16 participants. While her field is home economics, Miss Drinker's versatility enabled her to handle training programs in such varied fields as dairy manufacturing and sanitation, poultry production and disease control, rural sociology, and agricultural economics.

Alice Fray Nelson, Chief, Publication Branch: *For unusual initiative and skill in developing high standards for the agency's publications; for skill in assisting authors to meet these standards; and for exceptional devotion to duty.*

Since 1948 Mrs. Nelson has successfully worked for improvement of the agency's publications, which are looked to by U.S. agricultural producers, farm organizations, and government agencies as the primary source of information on foreign agricultural production, marketing, and policy. She has also shown unusual ability in working with authors, ably assisting them in organizing and writing their articles for *Foreign Agriculture* and other publications.

Ruth C. Tucker, analytical statistician, Fruit and Vegetable Division: *For effectiveness in organizing and supervising a statistical unit, and in preparing summaries of data on world production and trade in fruits, vegetables, tree nuts, and pulses.*

For years Mrs. Tucker, alone or with one assistant, did the statistical work for the Division. With its enlargement in 1954, she recruited and trained statistical personnel and formed an efficiently organized unit. The compilations prepared by the unit have not only been of inestimable value to FAS's Fruit and Vegetable Division, but they have been appreciated by the industry as well.

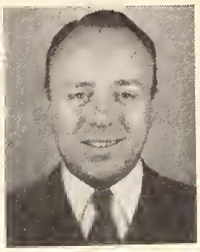
PEOPLE IN THE NEWS

New Agricultural Attache' Appointed to Argentina

Robert A. Nichols, former Dean and Director of Agriculture and Home Economics at the New Mexico College of Agriculture and Mechanic Arts, was recently appointed U.S. agricultural attaché at Buenos Aires.

A native of Masilla Park, New Mexico, Mr. Nichols has had broad experience in agriculture and inter-American affairs. From 1946 to 1948, he was research associate with the Iowa State College, Guatemala Research Center, and during World War II he was principal agricultural economist with the Coordinator of Inter-American Affairs, in Washington. He has also held agricultural posts in Costa Rica and the Virgin Islands.

Harold L. Koeller Named Attache' to Yugoslavia



Harold L. Koeller, who has served as assistant U.S. agricultural attaché in Paris for the past year, has now become U.S. agricultural attaché in Belgrade, Yugoslavia.

An agricultural economist from the University of Illinois, Mr. Koeller joined USDA in 1941 and has remained with the Department, except for a brief time after World War II when he worked with UNRRA in Rome and London. His work has been largely in the field of economics and trade.

Cover Photograph

Throngs Crowd American Pavilion At Barcelona International Trade Fair

For many Spanish people the first opportunity to get acquainted with U.S. farm products occurred last month when the United States participated in Barcelona's 24th international trade fair.

Spain's Minister of Commerce, Manuel Arburua, who presided at the opening of the fair, is shown in the cover photograph shaking hands with U. S. Ambassador John Davis Lodge. To the left of the Ambassador is Mrs. Lodge and U.S. Agricultural Attache, John Burgess.

During the first week, over a third of a million persons toured the U.S. pavilion where U.S. dairy products, wheat, cotton, tobacco, frozen meat and poultry were exhibited by some 75 U.S. firms. They sampled doughnuts from U.S. flour cooked with U.S. fats, cakes and cookies from ready mixes, milk and ice cream from recombined dry components, wedges of American cheese, cigarettes from U.S. tobacco. Models showed the latest fashions in cotton dresses.

Sudan's Cotton Expansion

(Continued from page 4)

tioned, that the rain-grown area would not increase, and two, that the percent of the total irrigated area planted to cotton would remain at the 1955-56 level, which was 22 percent. Actually, it is possible that the rain-grown area might be expanded somewhat, but it is more likely that the portion of the total irrigated land devoted to cotton might increase to a fourth or even a third. Also, wider adoption of commercial fertilizers could easily increase the average yield above the 355 pounds per acre used as a basis of this estimate. But of course other crops could in the future displace cotton to some extent on land now expected to go into cotton.

Cotton Types

If Sudan's irrigation schemes materialize, what kind of cotton will be grown on the expanded acreage? The greater part will most likely be extra long staple, known in Sudan as Sakel, of $1\frac{3}{16}''$ to $1\frac{1}{2}''$ in staple length. The original Domains Sakel compares with the Karnak of Egypt and the American-Egyptian Pima S-1 of the United States; the Lambert Sakel is more like the Giza 30 of Egypt and the longer staple Uplands.

In 1955-56, Sakel accounted for five-sixths of the total crop; American-type cotton constituted only one-sixth. Cropping patterns, however, could change to include sizable acreages of American-type cotton, if economic conditions or problems over availability of the Nile water should make it advisable.

Sudan at the present time exports almost its entire crop. There is practically no mill industry in the country and almost all textiles are imported. The bulk of the cotton exports have traditionally gone to the United Kingdom and India, but in the last year or two Sudan has been broadening its market to include more countries, among them France, Germany, Italy, and Czechoslovakia.

U. S. Agricultural Exports in 1955

U.S. agricultural exports in 1955 rose 5 percent in value, 11 percent in quantity over 1954. Total value was $3,195 million as against $3,054 million in 1954. While this total was 5 percent less than the $3,354 million level of 1949-43, *quantity-wise,* exports were 3 percent higher than during that period.

Favorable market factors abroad and U.S. programs aided exports. Some of the United States' best customers were in a better dollar position and issued import permits more freely. Others needed more U.S. products to further their economic growth, or because of shortages. Expanded U.S. surplus disposal programs also helped exports. Special pricing programs made it easier for some exporters to compete in foreign markets. Other programs facilitated exports to areas still in dollar difficulties.

Export programs were big factor in wheat increase. Wheat and wheat flour exports rose from 233 million bushels in 1954 to 272 million last year, with the Netherlands, Yugoslavia, Turkey, and Israel taking substantially more, and Spain reducing its shipments. Large quantities moved out under P.L. 480 programs: 58 million bushels under the foreign currency program, 60 million under the barter program.

Exports of feed grains doubled those of 1954. Improved economic conditions abroad were reflected in greater meat production and as a result, larger exports of feed grains —corn, barley, oats, and grain sorghums. Argentina's short corn crop also helped. Shipments under P.L. 480 totaled 50 million bushels of corn, 40 million of barley, and 40 million of sorghums.

Foreign currency sales to Japan maintained rice exports close to the 1954 level. However, rice exports were still below the average of the previous 5 years.

Heavy demand and short supplies abroad favored vegetable oil and oilseed exports. Exports of soybeans established a new record of 67 million bushels, or 55 percent higher than in 1954; and both cottonseed oil and soybean oil maintained high levels. Foreign demand was favored by low prices, smaller Latin American sunflower-seed crops, and short supplies of olive oil in the Mediterranean. Exports of cottonseed oil in 1954 and the first half of 1955 were largely from CCC.

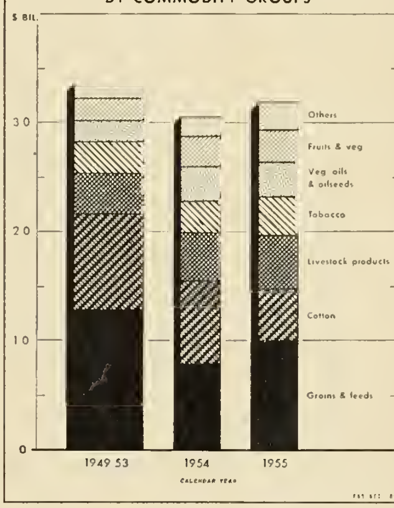
Cotton exports hurt by lower foreign prices. Increased output of foreign cotton and synthetic fibers, lower foreign prices, and expectation of a reduction in U.S. prices drastically cut cotton exports. P.L. 480 programs—principally sales for foreign currencies—moved out 395,000 bales.

U.S. tobacco exports continued to gain. Leaf tobacco exports totaled 535 million pounds, 19 percent over 1954; flue-cured accounted for the bulk of the rise. Export volume was the highest since 1946.

Exports of animal products favored by economic situation abroad and plentiful U.S. supplies. Strong foreign demand, low prices, and high quality of U.S. supplies resulted in larger exports of lard and tallow. Meat exports were the largest since 1937 and extended through all major classes.

Canned fruit exports continued at a high level, slightly above 1954 and more than double the average of the previous 5 years.

VALUE OF U.S. AGRICULTURAL EXPORTS BY COMMODITY GROUPS



Quantity of U. S. agricultural exports: Selected commodities and total quantity index

Commodity	Unit	Average 1949-53	1954	1955	Change in 1955 over— 1949-53 Av.	Change in 1955 over— 1954
		Million	*Million*	*Million*	*Percent*	*Percent*
Wheat and flour, in grain equivalent	Bushel	367.3	233.2	271.7	−26	+17
Corn and cornmeal, in grain equivalent	do	113.4	77.4	108.9	−4	+41
Barley grain	do	27.2	21.5	71.9	+164	+234
Grain sorghums	do	42.1	17.3	62.4	+48	+261
Rice, incl. milled equivalent of paddy	Cwt.	13.2	12.2	11.4	−14	−7
Soybeans	Bushel	26.5	43.5	67.3	+154	+55
Cottonseed oil	Pound	99.9	588.0	572.2	+473	−3
Cotton, unmanufactured, excl. linters	480-lb. bale	4.8	4.3	2.6	−46	−40
Tobacco, leaf	Pound	478.3	450.8	535.3	+12	+19
Lard	do	464.9	465.4	562.1	+21	+21
Tallow, edible and inedible	do	606.9	1,011.3	1,137.8	+87	+13
Hides and skins	Number	2.5	8.3	10.3	+312	+24
Beef and veal, product weight	Pound	20.2	33.8	40.7	+101	+20
Pork, product weight	do	75.3	52.9	66.3	−12	+25
Fruits, canned	do	106.8	211.9	225.6	+111	+6
Index of total quantity (1952-54 base)	Percent	110	102	113	+3	+11

TRADING POST

U. S. and Canadian Wheat Exports to Exceed 1954

Both U.S. and Canadian wheat exports for the current 1955-56 July-June marketing season are expected to exceed last year's level.

U.S. exports of wheat and wheat flour are now expected to total over 300 million bushels, compared with 274 million bushels in 1954-55. The Canadian figure has been placed at 275 million bushels—and possibly higher if ocean-going vessels become available—as against 254 million bushels last year.

With regard to U.S. wheat, the large increase in exports to Egypt, Japan, and Pakistan is particularly noteworthy. Substantial increases in flour exports are reported for Indochina, Venezuela, Italy, and the United Kingdom. Canada's sharp upward trend is attributed mainly to large sales to Iron Curtain countries, and to increased shipments to Western Europe following the severe winter.

Trinidad Lifts Ban On U. S. Pork

Trinidad has removed its embargo on imports of U.S. uncooked pork, imposed in 1952 because of the swine disease, vesicular exanthema, in the United States.

For many years the United States was a primary supplier of smoked and salted pork products for Trinidad. In 1952, exports of canned bacon, canned sausage, and cured and pickled pork from the United States totaled over 1.1 million pounds. In 1955, exports of pork to Trinidad and Tobago amounted to only 22,000 pounds. Canned sausages and miscellaneous canned meats, not affected by the ban, amounted to only 133,000 pounds.

VE disease of swine, which has greatly restricted exports of pork from the United States to a number of other importing countries, is now under control. Only one limited outbreak of the disease has occurred since August 1955.

U.S. Tobacco Exports Highest Since 1947

U.S. tobacco exports for fiscal year July-June 1955-56 are expected to total about 560 million pounds (export weight), an increase of 20 percent over exports for the corresponding period last year, and the highest since 1947.

Exports, up to and including July-April 1955-56, total 509.9 million pounds (export weight). The largest share was in exports of flue-cured tobacco, which totaled approximately 437.8 million pounds. Exports of Burley tobacco for this 10-month period were 23.4 million pounds, and of dark-fired Kentucky-Tennessee, 20.3 million pounds. All other types were lower.

The largest share of tobacco exports went to the United Kingdom, West Germany, the Benelux countries, and Australia. Exports of all types of tobacco to the United Kingdom alone totaled about 197.2 million pounds (export weight), part of them accounted for by sales under Public Law 480. Other sales under P. L. 480—Pakistan, Japan, Korea, Finland, and Thailand, to mention a few—have accounted in part for the increase in exports during this period.